

1 MR. GOYAL: Is my understanding of how the  
2 IP works correct?

3 MR. D'AMICO: Yes. In your example,  
4 Verizon would request an IP in this CO, and the  
5 CLEC would say I don't want to do that. I want to  
6 use my co-location for other purposes. In that  
7 case Verizon would take it to wherever, and the  
8 offset, that's where the transport offset comes  
9 into play. That would be the UNE IOF rate backed  
10 out of the recip comp.

11 MR. GOYAL: Just so I understand clearly,  
12 the offset language you would be referring to, do  
13 you have a copy of the contract language in front  
14 of you?

15 MR. D'AMICO: No.

16 MR. GOYAL: Would that be the language in  
17 7.1.1.3 of the WorldCom proposed language, which I  
18 believe is analogous to similar language proposed  
19 to the other petitioners; is that correct?  
20 7.1.1.3, page five of the revised JDPL.

21 MR. D'AMICO: Yes. It says the lesser of  
22 the rate minus--minus the transport rate.

1 MR. GOYAL: Is there similar language in  
2 7.1.1.2, the paragraph immediately preceding?

3 MR. D'AMICO: Yes.

4 MR. GOYAL: Do these paragraphs address  
5 situations where the CLEC agrees to the  
6 establishment of a CLEC IP at a co-location site,  
7 or where it does not agree to the establishment of  
8 a CLEC IP at a co-location site?

9 MR. D'AMICO: It does not agree.

10 MR. GOYAL: Under the language in these  
11 paragraphs, there would not be a CLEC IP at a  
12 co-location site in the Verizon central office in  
13 the hypothetical you were just describing; is that  
14 correct?

15 MR. D'AMICO: Correct, in A.

16 MR. GOYAL: Okay. So, if there were a  
17 CLEC IP, going back to my original question, if  
18 there were a CLEC IP in the Verizon central office,  
19 point A and a point of interconnection at the  
20 Verizon tandem B, how does Verizon get compensated  
21 for the transport from the IP, the CLEC IP, to the  
22 POI?

1 MR. D'AMICO: Again if the IP's here in A,  
2 we would drop off the question--we would drop off  
3 the traffic here; and if the IP were here, we would  
4 drop it off here.

5 ARBITRATOR ATTWOOD: "Here" being B?

6 MR. D'AMICO: "Here" being B.

7 You are losing me on what you're trying--

8 MR. GOYAL: I'm just trying to figure out  
9 how the transport, the compensation to Verizon for  
10 originating transport for calls it delivers to  
11 CLECs works under the GRIPs or VGRIPs proposals,  
12 and my understanding is that--well, am I correct in  
13 my understanding that Verizon gets compensated for  
14 the transport from the CLEC IP to the POI, Verizon  
15 provisions that--am I correct in understanding that  
16 Verizon provisions that transport, delivers the  
17 call to the POI, and then gets compensated for the  
18 transport from the CLEC IP to the POI?

19 MR. D'AMICO: Correct.

20 MR. EDWARDS: Could I ask a clarifying.  
21 I'm sorry, I lost the track.

22 The question you're just asking is at A,

1 the IP is there, and there is a co-location  
2 arrangement there.

3 MR. GOYAL: Right.

4 MR. EDWARDS: And your question is that if  
5 there is co-location arrangement at A and that  
6 becomes the IP, the transport you're asking about  
7 is from A to B, between the IP and the POI?

8 MR. GOYAL: Correct.

9 MR. EDWARDS: Your question is whether  
10 Verizon or the CLEC is responsible for that  
11 transport?

12 MR. GOYAL: Well, I believe my question  
13 assumed that the CLEC would be responsible for  
14 compensating Verizon, and I believe the witness  
15 testified that that's his understanding as well.

16 MS. FARROBA: Why don't we just get the  
17 witness to explain what happens at that point  
18 between A and B.

19 MR. D'AMICO: Let me try to start over.  
20 If the CLEC IP is at Verizon central office A,  
21 Verizon is responsible to get its traffic to that  
22 location. So, if calls are coming from, I guess,

1 first of all, from this Verizon CO, Verizon is  
2 going to have a direct trunk route from that CO,  
3 for traffic from that CO to that location; okay?  
4 And then beyond that--so, that's Verizon's  
5 responsibility.

6 From the co-location arrangement in  
7 Verizon COA, the CLEC is responsible to get that  
8 traffic back to their switch, so that's one  
9 example.

10 MS. PREISS: Okay, now, tell us how the  
11 CLEC could do that. What are its options, what  
12 does it do, who does it pay?

13 MR. D'AMICO: Verizon is responsible to  
14 get our traffic. The CLEC has the typical options  
15 from their co-location arrangement back to their  
16 switch that are self-provisioning, purchasing from  
17 a third party, UNE transport. They could even buy  
18 special access from point to point, I guess, if  
19 they wanted to.

20 So, that's kind of the UNE world or the  
21 transport world. The interconnection world is  
22 Verizon is going to drop it off at this co-location

1 arrangement.

2 MS. PREISS: So, even though the point of  
3 interconnection in this example is at B, the  
4 Verizon tandem, the IP is at A, the point of  
5 interconnection is at B, I think that's the  
6 question--

7 MR. D'AMICO: For this traffic that  
8 originates from this end office from Verizon office  
9 A, the POI is actually going to be at the Verizon  
10 CO A.

11 MS. FARROBA: No, I think what our  
12 hypothetical was--the question was, if the IP is at  
13 the Verizon central office A, and the point of  
14 interconnection is at B, the Verizon tandem, so  
15 that's the hypothetical we have given you.

16 MS. PREISS: How--maybe we are really just  
17 confused, but we going to clear it up somehow.

18 I thought the GRIPs proposal and the  
19 VGRIPs proposal didn't change the CLEC's ability to  
20 designate the Verizon tandem as its point of  
21 interconnection. What it gives the Verizon the  
22 option to do is say, okay, regardless of where the

1 point of interconnection is, we are designating a  
2 CLEC IP at the CLEC co-location arrangement in  
3 Verizon end office A. So now you've got an IP in  
4 A, a POI in B. Verizon drops off the traffic at  
5 the CLEC co-location arrangement in A. But the  
6 point of interconnection is still at B. How does  
7 the traffic get from A to B and then presumably on  
8 to the CLEC switch at C?

9           And if the question makes no sense, maybe  
10 you need to tell us why our questions don't make  
11 sense. What are we missing?

12           MR. D'AMICO: That's a good question. Let  
13 me start from the very beginning. We have a  
14 Verizon tandem. Under VGRIP, the CLEC needs to  
15 have an IP at the Verizon tandem. So there is a  
16 co-location arrangement; we have all this traffic  
17 going to this tandem co-location arrangement.  
18 Okay?

19           In this particular case, the CLEC has no  
20 other co-los at any other end office. So, in that  
21 situation, all the traffic Verizon is going to  
22 deliver to this particular tandem.

1           Then the CLEC establishes a co-lo in one  
2 of Verizon's offices, and so right now the POI and  
3 the IP are right here.

4           ARBITRATOR ATTWOOD:   Here in B?

5           MR. D'AMICO:   Here in B.  I talk with my  
6 hands and not with the letters.

7           So, with the initial situation, the IP and  
8 the POI are at the Verizon tandem at B.  Then this  
9 CO comes along, and they have a co-location  
10 arrangement there.  Verizon may request that that  
11 become an IP for traffic from this end office, so  
12 what will happen is you still have a POI here, and  
13 you still have a CLEC IP--

14          MS. FARROBA:   POI at the Verizon tandem  
15 which is B?

16          MR. D'AMICO:   At Verizon B, which is the  
17 tandem.  And you still have the CLEC IP or a CLEC  
18 IP at the Verizon tandem at B.  But for traffic  
19 from this end office, because the Verizon  
20 recognizes the volumes of this traffic, and they  
21 already have facilities there, what Verizon is  
22 going to do, instead of sending this traffic to

1 this IP and POI at the Verizon tandem in B, it's  
2 basically going to strip that traffic off, send it  
3 to the co-location arrangement in A, at Verizon CO,  
4 and again it all ends up back the at CLECs.

5 MS. FARROBA: I have a question on that.  
6 At the point where there is an IP in the Verizon  
7 central office, which in this diagram is A because  
8 there's a certain level of traffic in that central  
9 office, and so you peel off the traffic and send it  
10 to the co-location space, why can't it go back from  
11 point A, the central office, to point B, the  
12 Verizon tandem, and then to the CLEC switch? Why  
13 does it have to go on a separate facility from A,  
14 the Verizon central office, to C, the CLEC switch?

15 MR. D'AMICO: Well, in that example,  
16 Verizon has requested an IP at the Verizon CO under  
17 A, and the CLEC says fine, we physically drop the  
18 traffic off, and then they haul it however they  
19 want. If they say no, I do not want to do that,  
20 then we would still continue to send that traffic  
21 to the co-location arrangement in the Verizon  
22 tandem at B, and that is where the tandem offset

1 would take place. So, maybe that's the answer to  
2 your question.

3 MS. FARROBA: Yes, that's the answer we  
4 were trying to get clarified.

5 MR. GOYAL: And just to try to get one  
6 last bit of clarification, if the CLEC agrees to  
7 transition the co-location arrangement at the  
8 Verizon central office at point A, if the CLEC  
9 agrees to transition that to a CLEC IP, does that  
10 mean that the CLEC then establishes facilities  
11 between points A and B, either in the form of  
12 building facilities, leasing them from a third  
13 party or leasing them as UNES?

14 MR. D'AMICO: I guess there's a couple of  
15 different ways they could--

16 MR. GOYAL: Or between A and C?

17 MR. D'AMICO: Yeah. It's up to them.  
18 They could probably do cage to cage, they could do  
19 just a straight shot. I mean, that would be their  
20 routing.

21 MR. GOYAL: So to reiterate a question I  
22 asked earlier, is there any situation where the

1 establishment of a CLEC IP does not involve  
2 dedicated CLEC-purchased facilities on one side of  
3 the IP?

4 MR. D'AMICO: No, not that I could think  
5 of.

6 MR. GOYAL: Mr. D'Amico, when a CLEC does  
7 not establish an IP at the Verizon central office  
8 co-location space, the CLEC IP, under the language  
9 in 7.1.1.2 and 7.1.1.3, is there language that  
10 allows Verizon to recover an offset to its  
11 reciprocal compensation payments equal to Verizon's  
12 transport rate, tandem switching rate, and other  
13 costs? This is in 7.1.1.3, and 7.1.1.2.

14 MR. D'AMICO: Is there a provision to do  
15 that?

16 MR. GOYAL: Right.

17 MR. D'AMICO: Yes.

18 MR. GOYAL: Can you explain how that  
19 offset works.

20 MR. D'AMICO: Well, when the CLEC bills  
21 Verizon for the traffic that we terminate, they  
22 would back that out of the charges that Verizon

1 pays to the CLEC.

2 MR. GOYAL: Is that a metered rate, a  
3 metered transport rate?

4 MR. D'AMICO: Well, that's a good point.  
5 Normally, the IOF rate is a fixed and per mile, so  
6 we really haven't gotten, I guess, far enough to a  
7 point where it's actually occurred where the CLEC  
8 tries to do that based on minute of use space by  
9 making some mileage assumptions or actually backs  
10 it out based on the facilities. Probably  
11 logistically, some type of average minute of use  
12 backout would be the easiest, but as I said, we  
13 haven't really gotten to that point yet.

14 MR. GOYAL: Is there a particular  
15 methodology Verizon would use to determine that  
16 rate?

17 MR. D'AMICO: You look at the average  
18 mileage or the mileage between that point and use  
19 the fixed and per mile UNE IOF rate and then divide  
20 some assumed minutes of use into that.

21 MR. GOYAL: One question about local  
22 versus toll.

1           How does Verizon determine whether a call  
2 is local versus toll for traffic it routes between  
3 two Verizon customers and then how does it  
4 determine whether traffic is local versus toll for  
5 traffic routed between a Verizon and a CLEC  
6 customer? And does it only--with respect to--I'm  
7 sorry, if I'm asking too many questions. I could  
8 take them one by one, if it's easier.

9           The first question: How does Verizon  
10 determine whether traffic is local versus toll for  
11 traffic between two Verizon end users?

12           MR. D'AMICO: I'm not sure I'm the expert  
13 on that, but our local and toll are based on local  
14 exchange tariffs for Verizon calling. But again,  
15 I'm not sure I'm the right witness for those kinds  
16 of questions.

17           MR. GOYAL: Can you answer the question  
18 with respect to traffic routed between a Verizon  
19 end user and a CLEC end user in either direction?

20           MR. D'AMICO: Again, that's a little bit  
21 out of my area. I would rather not take some  
22 guesses.

1 MS. FARROBA: Actually, I think what we  
2 have is a hypothetical on the way GRIPs or VGRIPs  
3 works that we are trying to ask about.

4 MR. STANLEY: I guess the question we are  
5 looking for is how the compensation arrangements  
6 would work when--in both directions when a call  
7 originates from a Verizon customer in one local  
8 calling area and terminates with a CLEC customer in  
9 another local calling area, and also vice versa,  
10 when it originates with a CLEC customer in one  
11 calling area and goes to a Verizon customer in  
12 another calling area. So, I think what might be  
13 useful is to go off of these diagrams. So, perhaps  
14 the first question could be off of the diagram on  
15 the right, which is AT&T Exhibit--

16 MR. DYGERT: I think what we want is  
17 Exhibits 33 and 34.

18 MR. STANLEY: Actually, if we could just  
19 hold on for a second, we will ask questions based  
20 on AT&T Exhibits 31 through 34.

21 MR. DYGERT: Do you all have copies of the  
22 exhibits that have AT&T's marks on them?

1 MR. D'AMICO: Yes.

2 MR. GOYAL: Do you have a copy of AT&T  
3 Exhibit Number 33?

4 MR. D'AMICO: Yes.

5 MR. GOYAL: What does this diagram depict?

6 MR. D'AMICO: Okay. And this was  
7 discussed yesterday, and this is, I guess, a good  
8 opportunity for me to mention that I think  
9 yesterday right at the very end the question was,  
10 does this matter if this is local or toll, and I  
11 said, well, I don't think it does, but I remember  
12 we were talking about recip comp, and so obviously  
13 if we were talking about reciprocal comp in those  
14 examples, then city A and city B would have to be  
15 in the same local calling area.

16 So, I apologize for--

17 MR. GOYAL: What would happen if city A  
18 and city B--let me just finish the question--what  
19 would happen if city A and city B were in different  
20 local calling areas?

21 MR. D'AMICO: From--if they were in  
22 different local calling areas from a routing VGRIP

1 perspective or from a reciprocal compensation  
2 perspective, or both?

3 MR. STANLEY: Just from a perspective of  
4 how the compensation would work, who would pay  
5 what.

6 MR. D'AMICO: Well, if it's between two  
7 local calling areas, then that would be an  
8 intra-LATA toll call, and the originating party  
9 would pay the terminating parties terminating  
10 access.

11 MR. STANLEY: Could you just walk us  
12 through on this diagram, and being specific for the  
13 record, starting with the Verizon customer in city  
14 A, this is AT&T Exhibit Number 33, starting with  
15 the Verizon customer in city A and moving down  
16 towards the terminating CLEC customer on the lower  
17 left, could you just explain with respect to the  
18 different segments.

19 MR. D'AMICO: Sure. Verizon would--the  
20 Verizon customer would originate the call in city  
21 A, and the number that they were calling would be  
22 an intra-LATA toll call, and so Verizon would

1 deliver it to the CLEC IP, and then--

2 MR. STANLEY: Where is the CLEC IP on  
3 this?

4 MR. D'AMICO: Well, again, in this  
5 example, the CLEC IP is at the Verizon end office.

6 MR. STANLEY: That's your assumption, so  
7 why don't you explain it. Assuming that the CLEC  
8 IP is at the Verizon end office, why don't you go  
9 ahead.

10 MR. D'AMICO: Okay. Verizon would drop it  
11 off at that location, and then the CLEC would take  
12 it to city B.

13 MR. STANLEY: And how would the CLEC take  
14 it to city B?

15 MR. D'AMICO: Through their  
16 infrastructure. They would probably have something  
17 connecting their cage in the Verizon CO or their  
18 co- location arrangement back to their--back to  
19 their switch.

20 This isn't really--because this is--it's  
21 going from an intra-LATA toll perspective, this  
22 isn't the, I guess, the classic example of a VGRIP.

1 MR. ALBERT: Doesn't it make a difference  
2 if Verizon is the intra-LATA toll provider versus a  
3 CLEC or even some other carrier--is the intra-LATA  
4 full carrier?

5 MR. D'AMICO: In this example, assuming or  
6 saying that the Verizon--Verizon is the intra-LATA  
7 toll provider.

8 MS. DAILEY: Is there someone on this  
9 panel who can explain how this would work under the  
10 current compensation regime?

11 MR. STANLEY: Mr. Talbott had his hand up  
12 first.

13 MR. TALBOTT: There is a simple and  
14 straightforward answer to Mr. Stanley's question,  
15 and it looks like this: The traffic, how it is  
16 transported, is identical for intra-LATA toll and  
17 local traffic. The parties' language, both  
18 parties' languages do does not distinguish for  
19 purposes of transport between local and intra-LATA  
20 toll. So, for all the lines you see on those AT&T  
21 diagrams are the same for both local and intra-LATA  
22 toll.

1           What is different is once the traffic has  
2 reached the POI, what are the compensation methods  
3 for paying for the termination of that traffic? If  
4 it's a local call, then it would be reciprocal comp  
5 termination and transport. If it's intra-LATA  
6 toll, then it would be subject to the terminating  
7 parties' exchange access tariffs.

8           MR. GOYAL: Why is the point of  
9 interconnection the demarcation point where the  
10 parties' would determine which compensation regime  
11 would apply, access versus reciprocal compensation?

12           MR. TALBOTT: FCC rules make the POI the  
13 demarcation between originating parties' obligation  
14 to provide interconnection facilities, transport  
15 its traffic, and the point at which reciprocal comp  
16 would be due.

17           MS. FARROBA: Is that the way that GRIPs  
18 and VGRIPs proposal works?

19           MR. TALBOTT: Of course not. The IP is a  
20 neutering of POI, and no wonder the staff is  
21 confused.

22           MS. FARROBA: Wait just a second. Could

1 we kind of watch our language. What we are trying  
2 to understand is the way the compensation would  
3 work under GRIPs and VGRIPs, and what I have heard  
4 you say, I believe is what AT&T's position is on  
5 these issues. I guess what we are trying to find  
6 out on the particular question we were asking was  
7 how compensation is affected under GRIPs and  
8 VGRIPs, and if you were going to--if you could  
9 respond on that first, I think that would be  
10 helpful.

11 MR. TALBOTT: To my knowledge, there is no  
12 disagreement between Verizon and AT&T that the  
13 transport facilities, whether it would be under  
14 GRIP, VGRIP, or AT&T's proposal, would be identical  
15 for local and intra-LATA toll. The difference  
16 would be in the compensation once the traffic was  
17 handed off to the other party and Verizon's  
18 proposal at the IP, any intra-LATA toll call would  
19 be subject to charges under their exchange access  
20 tariff.

21 MS. FARROBA: First let me get WorldCom.  
22 I think you were waiting to say something.

1 MR. BALL: Yeah, I have been waiting a  
2 long time.

3 If you don't mind, I would like to draw a  
4 picture because I think I can explain how the  
5 compensation will be impacted by VGRIPs versus the  
6 current.

7 ARBITRATOR ATTWOOD: Is there a way for  
8 you to do that based on AT&T's exhibits without  
9 drawing on their picture?

10 MR. BALL: I would really rather draw.

11 ARBITRATOR ATTWOOD: But can you do it on  
12 AT&T's pictures?

13 MR. BALL: I really would prefer it to  
14 drawing on pictures.

15 MS. FARROBA: This would be WorldCom  
16 Exhibit--

17 MS. KELLEY: 48.

18 MR. BALL: What I'm going to do is I will  
19 draw picture A, which will represent our current  
20 interconnection arrangements, and I will draw the  
21 picture B, which will draw the--at least our  
22 understanding of how GRIPs would alter the current

1 arrangements.

2           So, under the current arrangements, and I  
3 think the current arrangements are actually very  
4 simple, and they're very effective, and they're  
5 very fair.

6           And the current just has a single point of  
7 interconnection, and on one side is Verizon where  
8 they have multiple end office switches.

9           And on the other side is the CLEC who  
10 generally has a single switch or two switches  
11 covering a much larger geographic area with much  
12 longer loops.

13           So, under the current arrangement, a CLEC  
14 customer calls a Verizon customer. The call is  
15 routed through the CLEC network, handed off at the  
16 POI, and routed--then Verizon picks up the call and  
17 routes it through its network to the Verizon  
18 customer.

19           If the CLEC customer and the Verizon  
20 customer are both within the same local calling  
21 area, the--billing fee, Verizon billing system  
22 compares the NXXs and determines they are both

1 within the local calling area and that's billed in  
2 as reciprocal compensation.

3           If the CLEC customer calls the Verizon  
4 customer and the Verizon billing system determines  
5 that they're outside of the local calling area,  
6 that is put on a bill as an intra-LATA toll call  
7 and access charges are applied.

8           The POI does not determine that.

9           MS. PREISS: Meaning that CLEC will pay  
10 terminating access to Verizon for the call that  
11 originates on the CLEC network?

12           MR. BALL: Yes, and the FCC rules make  
13 that distinction. They say if the call is  
14 jurisdictionally local, reciprocal compensation  
15 applies. If the call is a toll call, then existing  
16 access charges apply.

17           MS. PREISS: That's a loose paraphrase of  
18 the Commission's rules. We don't use local  
19 anymore.

20           MR. BALL: Now, vice versa, if the Verizon  
21 customer called the CLEC customer, and they're both  
22 within local calling area, our billing system does

1 the comparison of the originating phone number and  
2 the terminating phone number, determines they're  
3 within their local calling area, and bills Verizon  
4 reciprocal compensation; and also if they're  
5 outside of the local calling area, then they bill  
6 an access charge to Verizon.

7 MS. PREISS: When the CLEC is comparing  
8 the NXXs to determine whether the call originated  
9 or terminated in the local calling area, is that  
10 Verizon's local calling area as set forth in its  
11 tariffs?

12 MR. BALL: Yes, our local calling areas  
13 match Verizon's local calling areas.

14 MS. DAILEY: Is that true for the other  
15 CLECs as well in Virginia?

16 DR. COLLINS: With respect to Cox, not in  
17 every case.

18 MS. DAILEY: And AT&T, perhaps somebody  
19 from AT&T?

20 MR. TALBOTT: We have a number of  
21 entities, and some do and some do not represent for  
22 your four local phone companies.

1 MR. STANLEY: Which ones would not--which  
2 of your entities?

3 MR. TALBOTT: I believe it might be the  
4 AT&T communication entity does not, and I will need  
5 that to be subject to check, and the TCG entities,  
6 I believe, do. Again, subject to check.

7 MS. DAILEY: So, did I understand the  
8 witness to testify that the point of interconnect  
9 is not the location where the access reciprocal  
10 compensation distinction is made, that it's done by  
11 comparing the NXXs?

12 MR. BALL: That's correct. It's purely  
13 the jurisdictional nature of the call. It's not  
14 where the call, the handoff physically is.

15 MS. FARROBA: Now, your understanding of  
16 GRIPs and VGRIPs.

17 MR. BALL: I'm now drawing picture B,  
18 which is an identical picture.

19 Now, under this situation, Verizon now  
20 has, instead of having a single point of  
21 interconnection, there are now points of  
22 interconnection for--and I am still somewhat

1 confused as to the difference between GRIPs and  
2 VGRIPs, so I'm going to generalize somewhat, and  
3 I'm sure Verizon can correct me if I have  
4 overgeneralized, to mix the two.

5 But as a general matter, Verizon wants a  
6 new what they're calling an interconnection point  
7 out at some undetermined amount of end offices out  
8 here, which are farther out from the POI. We will  
9 go through the same call flows. When a CLEC  
10 originates the call to the Verizon customer, the  
11 CLEC still pays the exact same reciprocal  
12 compensation to Verizon. If it's a local call, he  
13 still pays to transport the call from the POI out  
14 to the customer. That hasn't changed at all.

15 MS. PREISS: To be precise, the reciprocal  
16 compensation that Verizon charges a CLEC in this  
17 example will cover the cost of the transport on the  
18 Verizon side of the POI, and any end office--with  
19 the end office switching?

20 MR. BALL: Yes.

21 If that call is an intra-LATA toll call,  
22 it's the same calculation with the phone numbers,

1 and an access charge will be billed.

2           The difference now is it's really for when  
3 Verizon delivers a call to the CLEC. Now, the  
4 call, if this is not actually a physical point, and  
5 this is, and this is my understand of--

6           ARBITRATOR ATTWOOD: "This" being the IP?

7           MR. BALL: "This" being the IP. If this  
8 isn't actually a physical point, if it's just a one  
9 of these financial points, the call would still be  
10 routed from this customer to the CLEC through the  
11 exact same network as we have.

12           The difference is Verizon would deduct  
13 from their reciprocal compensation payment their  
14 estimation of the cost of getting the call from the  
15 IP to the POI.

16           So, the real impact is the CLEC's  
17 reciprocal compensation and access payments would  
18 be reduced because Verizon has moved the financial  
19 point of responsibility from here out to here.

20           MS. PREISS: Do you understand the GRIPs  
21 and/or VGRIPs proposal, then, to do the same thing  
22 with respect to an intra-LATA toll call, that

1 Verizon would offset the CLEC's terminating access  
2 charge by some UNE inner office facility charge for  
3 the transport from the IP in the Verizon end office  
4 to the POI?

5 MR. BALL: That would be my expectation.  
6 I haven't seen any.

7 MS. PREISS: Mr. D'Amico, could you answer  
8 that question?

9 MR. D'AMICO: No, we would not offset the  
10 intra-LATA toll fees because Verizon is getting  
11 intra-LATA toll from its customers and it would  
12 have no need to back out any kind of transport.

13 Again, it's applied to recip comp.

14 MS. PREISS: So, with GRIPs and VGRIPs, if  
15 it's an intra-LATA toll call, Verizon will assume  
16 both the physical and financial responsibility of  
17 delivering the call to the point of interconnection  
18 and will pay terminating access to the CLEC?

19 MR. D'AMICO: Yes, we will pay terminating  
20 access on that.

21 Again, the VGRIP is associated with recip  
22 comp traffic.

1           MR. GOYAL: One issue I want to clarify is  
2 as a network routing issue, what I have been trying  
3 to figure out is when is local traffic between  
4 Verizon and the CLEC routed to CLEC switch located  
5 at a distant point of interconnection, and when is  
6 it not?

7           Actually, maybe I will start with Verizon,  
8 but the first question I have is, is CLEC UNE-P  
9 traffic, would that ever get routed in Verizon's  
10 network any differently than calls between Verizon  
11 local customers? In other words, would that ever  
12 be routed to a remote CLEC switch?

13          MR. D'AMICO: I'm not real familiar with  
14 UNE-P and how that works. Sorry.

15          MR. ALBERT: We would handle the routing  
16 for calls originated from UNE-P lines the same way  
17 that we would handle the routing calls originating  
18 from our own lines.

19          MR. GOYAL: So, in what circumstances  
20 would Verizon deliver Verizon-originated traffic  
21 for CLEC termination to a remote CLEC switch? What  
22 types of calls would those be? And when Verizon

1 responds, I would like to get you guys' input on  
2 that.

3           MR. ALBERT: The CLECs were in essence,  
4 and I will simplify it a little bit, have NXXs,  
5 telephone number codes that they associate with  
6 particular switches. You want to get a little bit  
7 more precise. There then can be different POIs  
8 where the physical require wires meet that the  
9 transport facilities can pass over that are  
10 connecting the switches, but if you're thinking of  
11 where is the call originated and where is the call  
12 terminated, from the switch perspective, you just  
13 kind of leave the transport as a bit of a cloud,  
14 it's really the NXX code of the terminating number  
15 that's being called that determines what switch  
16 will route it to.

17           So, really, the switch routing between all  
18 carriers, their customers calling us, our customers  
19 calling them, the NXX codes are what determine  
20 where that switch that call will be taken to.

21           MR. GOYAL: Why don't I start with  
22 WorldCom. Could WorldCom explain in its

1 understanding when a Verizon-originated call would  
2 be routed to WorldCom switch located at a point of  
3 interconnection that's possibly outside the same  
4 local calling area as a Verizon customer?

5 MR. STANLEY: He's just looking for what  
6 type of WorldCom customers? What type of WorldCom  
7 services would we be talking about here that  
8 involve routing to a remote WorldCom switch.

9 MR. GOYAL: When we say routing, we mean  
10 the physical transmission of the call to that  
11 switch.

12 MR. GRIECO: Say it one more time, please.

13 MR. STANLEY: I think he's just looking  
14 for what type of situations--what type of WorldCom  
15 services or what type of WorldCom customers would  
16 we be talking about here. We are obviously not  
17 talking about WorldCom UNE-P, so what type of  
18 situations would we be talking about here?

19 MR. GRIECO: Well, as Mr. Albert said, the  
20 NXX of our customers called by the NXX of their  
21 customer, and it goes from their end office switch  
22 to our POI with maybe one of these IP things in the

1 middle somewhere. And then we take it from our POI  
2 to our end office switch and then transport it from  
3 our end office switch to our customer.

4 Now, from a routing perspective of the  
5 networks, it's where their end office is and where  
6 our end office is really kind of irrelevant to  
7 where the end user customers are.

8 MR. GOYAL: Maybe I could try to rephrase  
9 the quo.

10 Is it WorldCom's understanding that every  
11 category of WorldCom customer other than UNE-P  
12 customers would be physically switched by WorldCom  
13 switch?

14 MR. GRIECO: Yes.

15 MR. ALBERT: Resale would look the same as  
16 UNE-P, if you want to cover the full gamut, so  
17 resale and UNE-P you could put looking the same  
18 almost working off of Verizon's switches, and then  
19 it's all the others would be drawing dial tone from  
20 the CLEC switch.

21 MR. GOYAL: Do the other petitioners have  
22 anything to add to that?

1 DR. COLLINS: If Cox could be allowed to  
2 provide its perspective some of these issues, we  
3 would appreciate it.

4 First of all, Cox is solely a  
5 facility-based provider, which is an important  
6 distinction between those that use UNE platforms  
7 and those that do resale and those that use  
8 combinations. Cox has made the capital investment  
9 to jump across those two financial  
10 barrier-mitigating avenues to competition as has  
11 been provided by the '96 Act; that is, resale and  
12 use of UNEs and UNE-P platform. Cox has jumped  
13 right in the full facility-based.

14 As a result of that, our needs are  
15 somewhat different than those that are in the  
16 resale phase or the UNE phase. Our needs are much  
17 less, and those needs are reflected in these  
18 diagrams and I want to just clarify what they are.  
19 Our needs are much less, but also much more  
20 critical. If, in fact, Cox or any other  
21 facility-based carrier is going to be sustained in  
22 the marketplace, if those needs are not met, then